



ANNUAL REPORT 2006

EACB

**EUROPEAN
ASSOCIATION
OF CO-OPERATIVES
BANKS**

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INTRODUCTION

The European Association of Co-operative Banks is the voice of co-operative banks in Europe. It is one of the leading trade associations in the financial sector and has more than 28 member associations and banks. The co-operative banking sector contributes significantly to the Lisbon agenda and to the competitiveness of the European banking industry at a local and regional level :

- Co-operative banks serve more than 140 million clients
- Co-operative banks are mutual banks, owned by their 60 million members
- Co-operative banks share common values and are a force for socially committed business at a local level, through their 4,500 member banks and 60,000 branches
- Co-operative banks comply with the key co-operative principle of “one person - one vote” and apply democratic principles in accordance with the European Co-operative Statute
- Co-operative banks contribute to the competitiveness and stability of the European banking industry. Their high credit ratings are a result of their mutual status and the quality of their portfolio

Co-operative banks will continue to promote their customer-oriented business model, which benefits Europe, its banking system, its consumers and its economy.

CHAIRMAN'S ADDRESS



Now that the debate on IAS 32 and the accounting treatment of shares on a company's balance

sheet has been brought to a close, a new front has opened up in the context of work under way to achieve convergence between the IFRS and the US GAAP. Without prejudging the final result, the EACB has been lobbying the relevant authorities to ask for their help in protecting the asset that the IFRS represents at a time when consultations are being held on the definition of banks' own funds. Co-operative banks are also concerned about the sequence of tasks involved in transposing European directives into

national legislation. The EACB has repeatedly told the authorities that the burden of the regulations weigh heavily on co-operative banks, irrespective of their size. In transposing European legislation, national regulators often impose additional constraints.

This phenomenon, known as "goldplating", is expensive and does not add value for customers.

Work to update and enforce Basel II is continuing and co-operative banks stand ready to maintain the same high quality of service and transparency for their small business customers that they have previously enjoyed under long-standing bilateral relations with other co-operative banks. Finally, our community of local or regional banks must confront the

challenge of the Single Euro Payments Area (SEPA) that the European Commission is seeking to create. Half of Europe's banks are attached to a co-operative banking group. Consequently, their commitment to supporting simple, workable solutions will be one of the key factors behind the SEPA's success.

The European retail banking market will be a priority for the EU Commission. The programme of work being undertaken has made it abundantly clear that legal barriers persist alongside cultural and linguistic obstacles to the concept of greater co-operation. It would be desirable for the Commission to take on board the implications of these obstacles, and accept them when it comes to evaluate the

scope of any new initiative. On a related note, it might well be tempting for European legislators to ignore the diversity of the banking industry and think that a widespread process of consolidation would make it more competitive. However, it should be noted that co-operative banks occupy a fundamental place in the European banking sector and they post results that are, in terms of profitability and efficiency, comparable or superior to other types of banks.

I shall follow my predecessor, Etienne Pfimlin, and, with the support of the EACB's 28 member organisations, shall continue our efforts to promote a business model based on democracy, solidarity and mutuality.

Christopher Pleister, December 2006

WELCOME TO THE EACB

■ SECRETARY GENERAL'S FOREWORD

The purpose of this report is to provide stakeholders, members, policy makers, and European institutions with a better understanding of the EACB's core areas of focus and its successes during the year. I hope it also demonstrates how the EACB is enhancing its reputation and standing within European regulatory and policy circles where financial services and banking issues are concerned.

Some of the major issues that the EACB focused on in 2006 are highlighted below. More details are provided further on in the report. Our lobbying activities would not be a success without the expertise of the various working groups and task forces, while the

involvement and contribution of the chairmen and CEOs of co-operative banks has helped boost the reputation of the EACB.

A summary of the main areas on which EACB focused during the year is given below:

European regulatory framework

The EACB has monitored extremely closely the transposition of the directive on the capital adequacy for credit institutions. The directive's proposals, in particular in the treatment of intra-group loans, seem to pose a problem in some member states. The Association has again emphasised that it is not merely a matter of perpetuating a provision already contained in Basel I and of taking it into consideration in the internal

solidarity financial mechanisms recognised by the rating agencies.

Payments

A founding member of the European Payments Council (EPC), the EACB has supported the adoption of a set of standards as a precondition of any European direct debit or credit transfer. The co-operative banks will be ready to process this type of payment instrument in 2008, and wish to see the public authorities carry out the necessary changes in order to achieve SEPA compliance.

Post FSAP

As talks continued on the amended proposal for a directive on consumer credit, the EACB addressed both the Austrian and Finnish presidencies in succession. As decentralised networks, the co-operative banks are

particularly concerned about plans relating to the banking mobility of consumers. When it comes to mortgage loans, the Association welcomes the Commission's approach of favouring dialogue between the parties concerned.

International accounting standards

The EACB was pleased that IFRIC 2 was transposed into a European regulation that specified clearly the status of co-operative shares. For this reason, it is very concerned by the convergence process between the IFRS and the US GAAP. Co-operative banks point out that at a time when European co-operative status has just entered into force, it would be paradoxical to have this form of undertaking put to question again by accounting provisions that have received the support of the European authorities.

WELCOME TO THE EACB

Clearing and settlement

The co-operative banks are still highly mobilised about the MIFID, but also about the monitoring of the code of conduct signed in November last year. On the first point, small and medium-sized banks have underscored the increase in the administrative workload and the cost of implementing the directive. On the second point, it is clear that users will have to play a role in monitoring the code of conduct and not remain outside the process, as was the case when it was drawn up.

The fight against terrorism and money laundering

The EACB shares the resolve of the authorities to fight the fraudulent use of the financial system for criminal purposes, and has consequently maintained its support to the legislator. Nevertheless, the demands made on banks,

regardless of size and activity, are weighing increasingly heavily in terms of costs and man-hours. A discussion of this point would be highly appreciated.

Corporate Governance

The governance of a co-operative bank does not have any equivalent in other forms of banking. The principle of “one person, one vote,” is up against the principle “one action, one vote”. Democracy and transparency rules, which have become a requirement, find concrete expression in the co-operative movement and the EACB has been very active to this end during the discussion on the draft directive on shareholders’ rights.

SME customers

The EACB has been closely involved in the work of the 5th roundtable on the financing of SMEs. In the European Union

about one third of SMEs are financed by a co-operative bank. Keen to take into account the concerns of SMEs, EACB experts are at pains to maintain a constructive dialogue and to develop proposals that respect the interests of the parties concerned.

The competitive environment

First, the EACB has forcefully reasserted that the co-operative status as a legal form should not be considered an obstacle to the consolidation of the banking industry in Europe, as emphasised in a European Parliament Report. Second, detecting and dealing with all cases that hinder competition in the retail banking market is justified. However, any competition initiative must be pursued according to an objective, clear methodology

within a reasonable period of time so as to produce reliable results.

International Co-operation

The European co-operative movement has been structured around “Co-operatives Europe,” a sector organisation that takes over from existing co-operative organisations such as the EACB. The General Secretariat has welcomed visitors throughout the year, establishing a network between the EACB and representatives of co-operative groups outside Europe, demonstrating its desire to expand the sphere of influence of co-operative banks and to lift their profile in the age of globalisation.

Hervé Guider
Secretary General

ABOUT THE EACB

THE EACB MISSION STATEMENT

The EACB is committed to defending and promoting co-operative values and the interests of its members within a competitive environment that allows co-operative banks to best serve their members and clients. To this end, the EACB provides information and advice, as well as contributing to the dialogue between European institutions and stakeholders.

■ OUR ROLE

Partner of decision makers

The EACB undertakes a number of activities to promote a legislative and regulatory environment in Europe that fits with the co-operative business model, taking into consideration the concerns of our members in order to enhance the diversity and the plurality of the European banking industry for the benefit of Europe's citizens and SMEs.

Promoting Co-operative values

The EACB supports and promotes among European

and international institutions the values of the co-operative movement – such as democracy, with the principle of “one person-one vote” at its core, a strong commitment to social values and links with 60,000 bank branches – as an alternative to “shareholder values” and financial markets-oriented institutions.

Commitment

The EACB is fully committed to defending and promoting the unique qualities and values of the co-operative movement on behalf of its members in the European institutions, and the European Central Bank.

This commitment makes us the best spokesman and the most effective way for Europe's 4,500 co-operative banks to be heard by policy makers and regulators.

Delivering value added services

The EACB provides workshops, seminars, publications and information to its members and other co-operative organisations to increase their awareness and knowledge of European issues, keeps them up to date with legislative and regulatory developments and offers a platform to develop co-operation between our members.

■ OUR VALUES

Transparency

The EACB's governance principles give each full member the same weight in

the decision making process regardless of its size, its country of origin or its financial contribution. In addition, the secretariat has a commitment to inform, to consult, to consider and to respect all opinions and advice from members under the principle, "everything we do - everything you know".

Trust

Relationships between members and the EACB are based on trust. Members trust their Association to defend their interests and it is with this objective in mind that the secretariat and staff of the EACB go about their work. Members' representatives act with the same aim in the different EACB bodies. This mutual trust is a key component of our lobbying efforts. Moreover, the EACB supports the code of conduct on lobbying.

ABOUT THE EACB

Efficiency

The EACB is one of the leading professional lobbying organisations in the banking industry in Brussels. The expertise and professionalism of our staff allows us to make relevant contributions in European Parliament committees, in the consultations of the European institutions and in other relevant hearings. We provide a high quality, credible voice for our 4,500 banks.

SELECTED KEY ACHIEVEMENTS

■ EUROPEAN REGULATORY FRAMEWORK

Capital Requirements Directive Implementation

The formal adoption on 14th June 2006 of the Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions (CRD), transforming the new Basel Capital Framework into EU law, marked a period of implementation of new prudential rules and standards, requiring an enormous amount of preparatory work, both for banks and for supervisors.

As of 1st January 2007, the directive must be applied for simpler methods of capital adequacy calculation ("Standardized Approach" and "Foundation IRB"), while "Advanced IRB" will become applicable on 1st January 2008.

While on one side our members were focussing on the national implementation processes in Member States, the Association followed the work of the European Commission and the Committee on European Banking Supervisors (CEBS) on interpretation aspects, common guidelines and even some new future projects. The EACB focussed on specific implementation issues of particular interest to member banks, such as the treatment of intra-group exposures, which was the subject of an internal seminar. It also contributed to position papers from the European Banking Industry Committee (EBIC) to CEBS on outsourcing, the work streams on concentration risk and on the implementation, validation and assessment of the Internal Ratings Based approaches.

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An important issue for members of the EACB was the revision of the definition of banks' own funds, which the Association followed closely. The EACB brought to the attention of CEBS and the European Commission some of the specific qualities of co-operative banks, which should be considered in the review process. Equally, it underlined that in revising the regime on large exposures, which is under review until 2008, particular attention should be paid to the needs of smaller banks. Finally, the EACB strengthened its contacts with CEBS at numerous meetings and was granted a seat as observer to the CEBS Panel.

■ PAYMENTS

SEPA incentives

In February 2006, the Commission published a consultation paper on SEPA

incentives which reflected on possible regulatory ways to support, underpin and enhance the SEPA project should the industry fail to deliver SEPA. The EACB played a leading role in explaining the industry's concerns, which focused on the need to recognise the progress made in the SEPA project, to focus on the legal framework, to formulate positive messages and, in particular, the need for public bodies to become launch customers. The European Commission responded by putting the "incentives" project on hold.

SEPA on the agenda of public authorities and public bodies

The banking sector has always considered that one key to the successful launch of SEPA products is the attraction of a critical mass of

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transactions and that public bodies should adopt these SEPA instruments as early as possible to boost the volumes involved. The EACB has consistently supported the European Payments Council (EPC) in calling the attention of the Commission and the ECB to this fact. The EACB is pleased to note that both institutions publicly recognised this concern in the joint press release issued on 4th May 2006 and put serious efforts into getting it on the agenda of the ECOFIN Council agenda in October 2006.

Payment Services Directive

On 6th December 2005 the college of Commissioners adopted a proposal for a draft Directive of the European Parliament and of the Council on payment services in the internal market. In preparation for the vote of the ECON

Committee of the European Parliament, EACB has met several Members of Parliament to request changes aimed at facilitating the creation of SEPA and, moreover, to express concerns about customer protection and level playing field issues with regard to the so-called "Payment Institutions". The ECON Committee adopted its report in September 2006. The report softened and revised quite a number of provisions, thereby meeting some of the concerns expressed by EACB. In particular, the report makes proposals with regard to the so-called "Payment Institutions" that significantly improve the protection of customer funds and draw a parallel with similar requirements existing for credit institutions offering payment services. In addition, it proposes a series of

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improvements that are vital to facilitate the creation of SEPA from an operational point of view.

Priority payments

In contrast to the initial observations of the European Central Bank, expressed in its fourth SEPA progress report issued in February 2006, EACB strongly believes that priority payments should not be part of the work programme of the EPC, which has a mandate to work on core and basic services only. EACB considers that offering priority payment solutions is part of the competitive space for banks and for system providers. It is up to each bank to decide if and how it wants to offer priority payment solutions. Priority payment products should be, and already are, developed through competition. On this basis, EACB entered into a

dialogue with the ECB, which has now acknowledged this point of view.

Post FSAP (Financial Services Action Plan)

Interesting moves in the field of retail financial markets have kept the EACB active on all fronts throughout 2006 in the field of mortgage credit, consumer credit and customers' ability to switch bank accounts.

The two Commission Experts Groups in the field of Mortgage Credit, the Mortgage Industry and Consumer Dialogue and the Mortgage Funding Group, which were launched at the beginning of this year, finished their work in December 2006. The achievements of the two groups differ markedly. The Mortgage Funding Group delivered a profound,

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sophisticated final report dealing with all issues relevant to Mortgage Funding (primary market, secondary market and investors). In contrast, reaching a common understanding on the topics discussed in the Mortgage Industry and Consumer Dialogue (Information, Advice, APRC and Early Repayment) proved to be more challenging. At the end of the process, Industry and Consumers' representatives could not agree on common standards. The final report merely reflects the discussions that took place and the different arguments and positions that were brought forward.

In December, the Plenary of the European Parliament adopted a Report on Mortgage Credit. The Report is a political response to the Commission Green Paper

(July 2005) to deliver input for the Commission White Paper (announced for May 2007). The EACB supports the positive political recommendations in the report.

The Proposal for a Directive on Consumer Credit, currently being examined in first reading by the Council, was the subject of an ambitious work programme by the Austrian and Finnish Presidencies, in the hope that a political agreement could be reached by the end of 2006. Despite intensive efforts, no agreement was forthcoming. Member States' requests to amend the Directive to meet their national constraints were difficult to reconcile with the Commission's opinion that harmonisation should cover all details – thereby limiting the degree of flexibility. In addition, serious criticisms of the lack of "added value" of

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the proposal led to the German Presidency inheriting this complex file.

The EACB, individually and via the European Banking Industry Committee, voiced its concerns in a number of meetings and written contributions, warning policy-makers that, if not amended, the current proposal would create a very bureaucratic regime that would limit the effectiveness of efforts to strengthen the internal market for consumer credit. The EACB strongly supports the European Parliament's initiative to carry out an economic analysis of the proposal, applying better regulation principles, before initiating its second reading.

The last pillar of the "retail banking" chapter is the Commission Expert Group on Customer Mobility, launched

in September 2006. The group, chaired by the European Commission, is composed of banking industry experts, consumer representatives and academics. A report is expected to be published by end of May 2007. EACB experts, with the full support of the EACB secretariat, will continue to work to ensure that co-operative banks' concerns are taken on board.

■ INTERNATIONAL

ACCOUNTING STANDARDS

The Accounting Treatment of Co-operative Shares

The US Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) issued a memorandum of understanding: "A Roadmap for Convergence between

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IFRS and US GAAP—2006-2008”. Among the numerous projects, the FASB and the IASB intend to make progress on their different interpretations of the equity/liability distinction. Within the context of these convergence efforts, the FASB published in 2005 a “Milestone Draft” suggesting an approach for equity/liability distinction that is fairly different from IAS 32 and IFRIC 2.

In early 2006 an EACB delegation travelled to the USA to meet representatives of the FASB and to find out to what degree co-operative shares could be treated as equity and to what extent the FASB would modify its seemingly very narrow approach. The EACB secretariat concluded that the FASB’s line of thinking could create difficulties for the equity treatment of European co-operative shares, an

impression that grew even stronger after the meeting.

The Association drew the attention of other co-operative associations to the matter, in particular Co-operatives Europe and the International Co-operative Alliance (ICA). The Association also informed the European Commission and members of the European Parliament that the convergence programme could create a very negative outcome for co-operatives. It also addressed the matter at the European Financial Reporting Advisory Group (EFRAG). When EFRAG established a Pro-active Advisory Group on Equity/Liability Distinction in early 2006, the EACB was granted observer status.

The matter was discussed by the EACB’s accounting working group and the Executive Committee. For the EACB, the maintenance of

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IFRIC 2 as an *acquis* is a key issue. Members believe that the substance of IAS 32 and IFRIC 2 should constitute a minimum *acquis* for the classification of co-operative shares. No share type that is considered as equity today should be declassified into liability as the result of any future amendment of the equity/liability distinction. The Executive Committee also underlined that, with regard to the prudential framework, co-operative banks have a particular need for a long-term stable accounting environment when it comes to the classification of their shares as equity.

In November 2006, the EACB organized a seminar in Brussels on this matter, which resulted in the adoption of a resolution. This resolution was finally endorsed by the ICA, which communicated these

messages in letters both to the FASB and the International Co-operative Association.

Financial markets

The EACB launched two key initiatives in the summer of 2006.

- **Code of Conduct for clearing and settlement**

The “Code of Conduct / Practice ” launched by Commissioner McCreevy in July 2006 was signed by European market infrastructures on 7th November 2006. The Code includes measures in the field of price transparency, rights of access, interoperability, account separation and price unbundling aimed at improving integration and reducing costs in the field of post-trading. Co-operative banks, as custodians, are

major users of market infrastructures, to whose benefits the code is addressed.

The EACB participated in the informal consultation process led by the Commission and highlighted that European co-operative banks welcome the market-led approach taken by the Commission to the field of clearing and settlement and considers the Code of Conduct as a positive initiative for improving the efficiency of the post-trading market, in the light of recent advances in this environment (ie DG Competition, Target 2 securities, the CESAME effort in removing the Giovannini barriers, the consolidation of stock exchanges). The EACB also underlined the importance of users' requirements in defining the Code and appreciates the Commission's efforts to involve users at an early stage

of the process. In this respect the EACB would recommend that users (through the European Credit Sector Associations) are also involved in monitoring at the appropriate level and that the monitoring process is conducted in a clear, transparent and public manner.

• Target 2 Securities

In July 2006, the ECB launched a new initiative in the field of post-trade of securities: TARGET 2 Securities (T2S). The EACB was involved at the earliest stage in the informal consultations conducted by the ECB among banks, Central Security Depositories (CSDs) and national central banks. The EACB answered the questionnaire sent by the ECB to identify key elements of the project. In its answers

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the EACB highlighted that co-operative banks are generally supportive and welcome the Target 2 Securities project. A single pan-European platform would indeed pave the way to sensible solutions in terms of efficiency, systemic risks (central bank money), European harmonization and removal of Giovannini barriers to cross-border clearing and settlement as well as governance issues. TARGET 2 could present significant synergy effects both for securities settlement and, in particular, for trading with central bank money against collateral. Concrete details and an analysis of the implications of the initiative are nevertheless key to make sensitive judgements.

The fight against terrorism and money laundering :

- **FATF Special Recommendation VII on wire transfers**

Special Recommendation VII on wire transfers was issued in 2001 by the Financial Action Task Force ⁽¹⁾ (FATF) together with 8 other Special Recommendations with a view to combating terrorism financing. This Special Recommendation was backed up by an interpretative note on 10th June 2005.

With a mandate to represent the European Payments Council on this issue, as well as its own members, EACB has continued, during 2006, to play a leading role in the

⁽¹⁾ *The Financial Action Task Force on Money laundering (FATF) was established by the G-7 Summit in Paris in 1989, in response to mounting concern over money laundering. The FATF is an inter-governmental body with 33 members, whose purpose to develop and promote policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.*

discussion on the implementation of Special Recommendation VII. The EACB's input led to substantial changes in a proposal for a Regulation on information on the payer accompanying the transfers of funds, which was adopted in November 2006. The newly adopted text reflects many of the industry's requests aimed at limiting the impact on the banks' payment processes and their relationships with clients and counterparties.

Corporate Governance

Our main lobbying activities in the field of corporate governance were focused on the proposal for a directive on the rights of shareholders from January 2006, which is presently being appraised by the European Parliament in its first reading and was due to be adopted in February 2007.

The EACB successfully led a very active lobby in the European institutions for co-operatives to be explicitly excluded from the relevant clauses.

Although the proposal concerns listed companies, the EACB fears that in the future any company issuing marketable securities on an organised market will come under the directive. This would mean co-operatives would have to put in place a new structure in order to ensure the liquidity of the company's shares in case the accounting authorities in the future require them to be recognised as part of the company's own funds.

The EACB has also participated in the meetings of the consultative group on corporate governance and company law since autumn 2006.

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The competitive environment

Consolidation of the financial sector ranked high on Brussels' 2006 agenda for financial services. The first semester was marked by the adoption by the European Parliament of the report "Towards Further Consolidation in the Financial Services Industry". The report voices some key principles for co-operative banks such as the need to preserve the diversity of financial institutions and not favour any single type of business model or corporate structure over another.

In July 2006, DG COMP published its interim report on current accounts and related services, as part of its sectoral inquiry into retail banking. The EACB appreciated the opening of a dialogue with interested parties to avoid a

pre-emptive conclusion, as European banking markets are very complex and each one is different. However, the report suggests that differences amongst member states can be attributed to a lack of competition, without clear justification and overlooking the fact that the heterogeneity of different markets is rooted in a variety of cultural and economic factors. It is important to remember that co-operative banks run their businesses in a market-oriented way without any administrative privilege. The ability to offer products at preferential prices is closely linked to their capital structure. Capital is held by member-customers – which allows for lower costs and an efficient business model. The primary mission of co-operatives is to maximize customer value. For this reason, co-operative banks

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stimulate efficiency and competition in the banking sector.

Finally, the EACB underlined its strong commitment to fair competition as well as to a pluralistic banking market.

COMMUNICATION TO MEMBERS

Seminar on the CRD

WORKSHOP ON INTRA- GROUP EXPOSURES

On September 20th & 21st, the EACB secretariat, with the support of BVR, organized a workshop for its member organizations “The Implementation of article 80 (8) CRD by Co-operative Banking Groups – Approaches, Problems and Solutions”. The aim of the seminar was to have an exchange among members on their projects to implement the CRD’s provisions on intra-group exposures in non-consolidating groups. There was great interest in the meeting and a good attendance from high-level executives at the EACB’s member organizations. Apart from the relevant experts in the different member

organizations, there were external speakers from CEBS and Fitch Ratings. The meeting revealed that almost all the member organizations that attended were trying to move towards structures that allow the drawing of profit from the CRD’s legal framework. However, the progress of implementation, as well as the state of discussions with national regulators, varied between members from different countries. It was agreed to repeat the event in about a year’s time, when implementation has proceeded.

One important lesson of the event for the secretariat was that members are very interested in events that allow them to discuss specific issues of common concern in more detail.

Seminar on IAS 32

SEMINAR “IAS 32 AND THE FASB-IASB PROJECT ON EQUITY/LIABILITY DISTINCTION”

On November 17th the EACB organized an event at its premises to inform its members and other co-operative organisations about the accounting treatment of co-operative shares. Presentations from EACB secretariat members on the current situation and the developments in the USA prepared the ground for a report of the ICA on their Accounting Working Group and for a presentation by Ms Knorr, from the German standard setter ASCG, who outlined the status of the work of the EFRAG-ASCG Working Group on Equity/liability Distinction and of some basic elements of their so-called risk-absorption approach for

equity-liability distinction. The following speaker, Mr. Enevoldsen, chair of the EFRAG Technical Expert Group, then gave his analysis of the situation. Mr. Enevoldsen encouraged the European co-operatives to draw the attention of FASB and IASB to the possible impact of the FASB's approaches on co-operatives and to explain to these institutions the economic importance of co-operative banks.

Participants in the subsequent discussion underlined the importance of an equity/liability accounting distinction that does not put co-operatives at a disadvantage and said that IFRIC 2 represented a minimum standard that should be maintained. By no means should accounting standards oblige co-operatives to modify

COMMUNICATION TO MEMBERS

their underlying principles, such as members' limited access to reserves, the meeting heard.

These elements of the discussion were integrated into a resolution text, which was adopted by the EACB Executive Board. The elements of the resolution were finally integrated into communications of the ICA and Co-operatives Europe to the FASB and the IASB.

• OPEN DAYS

This year, for the first time, the EACB has been an official partner of the European week of Regions and Cities co-organized by the Committee of the Regions (CoR) and the European Commission. Known as Open Days 2006, this event focused on "Investing in Europe's regions and cities: public and private partners for growth and jobs"

and took place in Brussels on 9th-12th October. Some 3,000 participants attended the 70 seminars and workshops.

As partners of this initiative, the EACB had a stand in the exhibition area, the so-called Investors Café. Participation in the Open Days is a component of the EACB's communication policy and represented an opportunity to promote the role of co-operative bank activities in local economies to EU institutions and regional or local authorities.

Taking part in Open Days also paved the way for a fruitful co-operation with the Commission and the Committee of the Regions that will manifest itself in Mr. Delebarre, President of the CoR, attending the EACB's 2nd Convention, to be held in March 2007 at the CoR's premises.

Visit - Training sessions

The Secretariat General received groups of visitors from local or regional banks throughout the year. The visits in question were included in training programmes or were part of programmes to learn about the workings of European institutions. This shows that the Secretariat is increasingly being approached by members who are showing a growing interest in European affairs. It is also proof that they are keen to acquire more information on co-operative banks in Europe and the role

and missions of the EACB therein. At the same time, the Secretariat liaised with Unico in putting together a training programme for young managers in co-operative banks and played a part in setting out the major challenges for the Community and the impact they can be expected to have on co-operative banks. For the first time too, the EACB made an input into the congress hosted by Confederation Internationale des Banques Populaires (CIBP), illustrating how the various structures interact with one another.

KEY FIGURES OF EACB MEMBERS, 2005

	Full member organisations	Regional/ local banks	Banking outlets	Members	Customers	Staff	Total assets (€ million)
Austria	Österreichische Raiffeisenbanken	574	1,611	1,655,153	3,600,000	30,900	176,008
	Österreichischer Genossenschaftsverband (c) 68		611	650,000	700,000	6,684	33,773
Belgium	Crédit Professionnel	9	144	n/a	n/a	559	5,746
Bulgaria	Central Co-operative Bank	9	179	5,311	603,608	1,111	414
Cyprus	Co-operative Central Bank	347	476	536	600,000	2,112	8,448
Denmark	Sammenslutningen Danske Andelskasser	29	80	64,000	122,000	483	1,221
Finland	OKOBANK	238	680	1,133,000	3,100,000	11,974	52,845
France	Crédit Agricole	41	9,100	5,700,000	21,000,000	134,000	1,170,000
	Crédit Mutuel	18	5,020	6,700,000	14,200,000	57,000	436,400
	Banques Populaires (a)	22	2,692	2,800,000	6,600,000	44,509	250,404
Germany	BVR/DZ BANK	1,290	14,122	15,724,909	30,000,000	188,435*	909,179*
Greece	Association of Cooperative Banks of Greece	16	128	160,136	160,136	892	2,042
Hungary	National Fed. of Savings Co-operatives (b)	152	1,635	500,000	1,000,000	7787	4,150
Ireland	Irish Sea Fisheries Board	1	1	n/a	15	94	7393
Italy	Assoc. Nazionale fra le Banche Popolari	90	7593	1,070,000	8,050,000	72,144	365,200
	FEDERCASSE	439	3,617	776,224	1,463,584	26,850	126,400
Luxemburg	Banque Raiffeisen	16	63	4,509	117,700	433	3,372
Lithuania	Association of Lithuanian credit unions	56	111	55,042	55,458	281	107
Netherlands	Rabobank Nederland	248	1,575	1,551,000	9,000,000	50,988	506,234
Poland	Krajowy Związek Banków Spółdzielczych	588	3,597	2,500,000	10,500,000	28,283	8,786
Portugal	FENACAM (d)	132	592	300,000	1,600,000	3,670	7501
Romania	Creditcoop	124	785	760	1,006,112	2,600	121,000
Spain	Unión Nacional de Cooperativas de Crédito	83	4,715	1,799,474	9,715,710	18,335	80,548
Sweden	Landshypotek (e)	10	10	69,216	69,216	107	3,787
UK	The Co-operative Bank	n/a	119	n/a	2,200,000	4,271	16,452
TOTAL (EU-27)		4,591	59,156	43,210	125,464	694,502	4,176,531

Source EACB, key statistics as on 31.12.2005

(a) : 2004 figures - (b) : including Takazébank - (c) : 2004 figures - (d) : 2001 figures - (e) : 2000 figures - (1) : Estimate * Addition Kreditgenossenschaften + DZ BANK-Konzern + MHB eG - n/a : Not applicable

MEMBER ORGANISATIONS

ON 31-12-2006

■ FULL MEMBERS

AUSTRIA

Fachverband der Raiffeisenbanken

Am Stadtpark 9

A - 1030 WIEN

Tél.: (43 1) 717 07 12 70

Téléfax: (43 1) 717 07 24 96

<http://www.raiffeisen.at>

Österreichischer

Genossenschaftsverband

(Schulze-Delitzsch)

Löwelstrasse 14-16

A - 1013 WIEN

Tél.: (43 1) 313 28 0

Téléfax: (43 1) 313 28 450

<http://www.oegv.volksbank.at>

BELGIUM

Crédit Professionnel - BKCP

Avenue des Arts 6-9

B - 1210 BRUXELLES

Tel.: (32 2) 289 82 00

Téléfax.: (32 2) 289 89 90

<http://www.bkcp.be>

CYPRUS

Co-operative Central Bank Ltd.

8, Gregory Afxentiou Street

CY-1096 NICOSIA

Tél.: (357 22) 74 30 00

Téléfax: (357 22) 67 02 61

<http://www.coopbank.com.cy>

DENMARK

Foreningen Danske Andelskasser

Baneskellet 1, Hammershøj,

DK - 8830 TJELE

Tel.: (45 87) 99 31 20

Téléfax: (45 87) 99 30 98

<http://www.sda.dk>

FINLAND

OP Bank Group

Teollisuuskatu 1 - P.O. BOX 308

FIN - 00101 HELSINKI

Tél. : (358 10) 252 011

<http://www.osuuspankki.fi>

FRANCE

Confédération Nationale du Crédit Mutuel

88-90, rue Cardinet

F - 75017 PARIS

Tél.: (33 1) 44 01 10 10

Téléfax: (33 1) 44 01 12 30

<http://www.creditmutuel.fr>

Fédération Nationale du Crédit Agricole

48, rue La Boétie

F - 75008 PARIS

Tél.: (33 1) 49 53 43 23

Téléfax: (33 1) 49 53 44 81

<http://www.credit-agricole.fr>

MEMBER ORGANISATIONS ON 31-12-2006

Groupe Banque Populaire

Le Ponant de Paris

5, rue Leblanc

F - 75511 PARIS - CEDEX 15

Tél.: (33 1) 40 39 60 00

Téléfax: (33 1) 40 39 60 01

<http://www.banquepopulaire.fr>

GERMANY

Bundesverband der Deutschen

Volksbanken und

Raiffeisenbanken - BVR

Schellingstrasse 4

D - 10785 BERLIN

Tél.: (49 30) 20 21 0

Téléfax: (49 30) 20 21 19 00

<http://www.bvr.de>

DZ Bank AG

Deutsche Zentral-

Genossenschaftsbank

Platz der Republik

D - 60265 FRANKFURT AM MAIN 1

Tél.: (49 69) 74 47 01

Téléfax: (49 69) 74 47 16 85

<http://www.dzbank.de>

GREECE

Association of Cooperative Banks of Greece

50, Skoufa Str Kolonaki

GR - 106 72 ATHENS

Tél.: (30 1) 36 36 311

Téléfax: (30 1) 36 10 210

<http://www.este.gr>

HUNGARY

National Federation of Savings Co-operatives

Varosmajor u.74

H - 1122 BUDAPEST

Tél.: (36 1) 488 59 24

Téléfax: (36 1) 488 59 05

<http://www.takarekszovetkezetek.hu>

IRELAND

Irish Sea Fisheries Board

Crofton Road

IRL - Dun Laoghaire, Co. DUBLIN

Tél.: (353 1) 214 42 31284

Téléfax: (353 1) 230 05 64

<http://www.bim.ie>

ITALY

Associazione Nazionale fra le Banche Popolari

Piazza Venezia 11

I - 00187 ROMA

Tél.: (39 06) 69 535 203

Téléfax: (39 06) 679 55 58

Federazione Italiana delle Banche di Credito Cooperativo- Casse Rurali ed Artigiane

Via Lucrezia Romana, 41 - 47

I - 00178 ROMA

Tél.: (39 06) 7207 1

Téléfax: : (39 06) 7207 2790

<http://www.creditocooperativo.it>

LITHUANIA

Lithuanian Central Credit Union

Savanoriu 363-211

LT - 49425 KAUNAS

Tél. : (8 37) 20 96 37

Téléfax: (8 37) 20 04 54

<http://www.lku.lt>

LUXEMBURG

Banque Raiffeisen

Rue Charles Martel, 46

L - 2134 MERL

Tél.: (352) 24 50 1

Téléfax: (352) 22 75 41

<http://www.raiffeisen.lu>

NETHERLANDS

Rabobank Nederland

Croeselaan 18

NL - 3500 HG UTRECHT

Tél.: (31 30) 216 18 54

Téléfax: (31 30) 216 00 00

<http://www.rabobank.nl>

POLAND

Krajow Zwiasek Bankow

Spoldzielczych - KZBS

ul. T. Boya-Zelenskeigo 6 Apt. 22/23

PL - 00- 621 WARSAW

Tél.: (48 22) 875 30 30

Téléfax: (48 22) 875 30 40

<http://www.kzbs.pl>

PORTUGAL

FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, F.C.R.L.

Rua Pascoal de Melo, 49

P - 1000-232 LISBOA

Tél.: (351 21) 313 69 00

Téléfax: (351 21) 313 69 91

<http://www.creditoagricola.com>

SPAIN

Unión Nacional de Cooperativas de Crédito

C/ Virgen de los Peligros 4 - 4ª planta

E - 28013 MADRID

Tél.: (34 91) 595 67 85

Téléfax: (34 91) 595 67 96

<http://www.unacc.com>

SWEDEN

Landshypotek AB

Strandvägen 1, 1st floor

S - 10441 STOCKHOLM

Tél.: (46 8) 459 04 00

Téléfax: (46 8) 459 01 21

<http://www.landshypotek.se>

UNITED KINGDOM

The Co-operative Bank p.l.c.

1 Balloon Street

UK - MANCHESTER M60 4EP

Tél.: (44 161) 832 34 56

Téléfax: (44 161) 839 42 20

<http://www.co-operativebank.co.uk>

MEMBER ORGANISATIONS ON 31-12-2006

■ ASSOCIATE MEMBERS

SWITZERLAND

**Schweizer Verband der
Raiffeisenbanken**
Schreinerstrasse 6
CH- 9001 ST. GALLEN
Tél.: (41 71) 225 88 88
Téléfax: (41 71) 225 88 87
<http://www.raiffeisen.ch>

BULGARIA

Central Cooperative Bank
103, G.S. Rakovski Street
BG - 1000 SOFIA
Tél.: (359 2) 92 66 107/122
Téléfax: (359 2) 98 88 107
<http://www.ccbank.bg>

ROMANIA

Creditcoop Casa Centrala
Plevnei Way 200
Sector 6
RO - BUCHAREST
Tél.: (40 21) 317.74.05
Téléfax: (40 21) 317 74 86
<http://www.creditcoop.ro>

SLOVENIA

Dezelna banka Slovenije d.d.
Kolodvorska ulica 9
SI-1000 LJUBLJANA
Tél.: (386 1) 4727 100
Téléfax: (386 1) 4727 405
<http://www.dbs.si>

MEMBERS OF THE EXECUTIVE COMMITTEE

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ed Artigiane

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Banche Popolari

R. DE BRUYN
Associazione Nazionale fra le
Banche Popolari

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G. ROMMES
Banque Raiffeisen

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Rabobank Nederland

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Spoldzielczych

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das Caixas de Crédito Agrícola
Mútuo

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CREDITCOOP CASA CENTRALA

SLOVANIA

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Dezelna Banka Sloveniije d.d.

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A. L. MARTIN SERRANO
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Crédito

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K. STILLMAN
Landshypotek AB

SWITZERLAND

W. BAUER
Raiffeisen Schweiz

UNITED KINGDOM

P. RYLANDS
The Co-operative Bank p.l.c.

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ON 31-12-2006

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R. BORNS

Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

- **PAYMENT SYSTEMS**

K. PANKAKOSKI

OKO BANK

- **CONSUMER POLICY**

M.- Ch. CAFFET

Confédération Nationale du Crédit Mutuel

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Bundesverband der Deutschen Volksbanken und Raiffeisenbanken - BVR

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Crédit Agricole Investor - Services Bank (CACEIS Bank)

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B.-J. KROUWEL

Rabobank Nederland

- **SOCIAL AFFAIRS**

SECRETARIAT GENERAL

ON 31-12-2006



H. GUIDER

Secretary General

h.guider@eurocoopbanks.coop

Rue de l'Industrie 26-38

B - 1040 Brussels

Tel.: (32 2) 230 11 24 - Fax: (32 2) 230 06 49

e-mail : secretariat@eurocoopbanks.coop

<http://www.eurocoopbanks.coop>

M. van BERKEL

Head of Payment Systems

Department

m.vanberkel@eurocoopbanks.coop

V. HEEGEMANN

Head of Legal Department

v.heegemann@eurocoopbanks.coop

S. BELGHAZI (15/01/2007)

Adviser

s.belghazi@eurocoopbanks.coop

E. BEVILACQUA

Adviser

e.bevilacqua@eurocoopbanks.coop

D. BOURDON

Adviser

d.bourdon@eurocoopbanks.coop

A.- L. CHARRON

Adviser

a.charron@eurocoopbanks.coop

M. ROY

Adviser

m.roy@eurocoopbanks.coop

N. SCHINDLER

Adviser

n.schindler@eurocoopbanks.coop

E. DE VOS-HUBER

Office Manager

e.devos@eurocoopbanks.coop

Edité par le Groupement Européen des Banques Coopératives
Rue de l'Industrie 26-38
B - 1040 Brussels
Tel.: (32 2) 230 11 24 - Fax: (32 2) 230 06 49
e-mail : secretariat@eurocoopbanks.coop
<http://www.eurocoopbanks.coop>